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# Rural Lines

RURAL ELECTRIFICATION ADMINISTRATION • U. S. DEPARTMENT OF AGRICULTURE

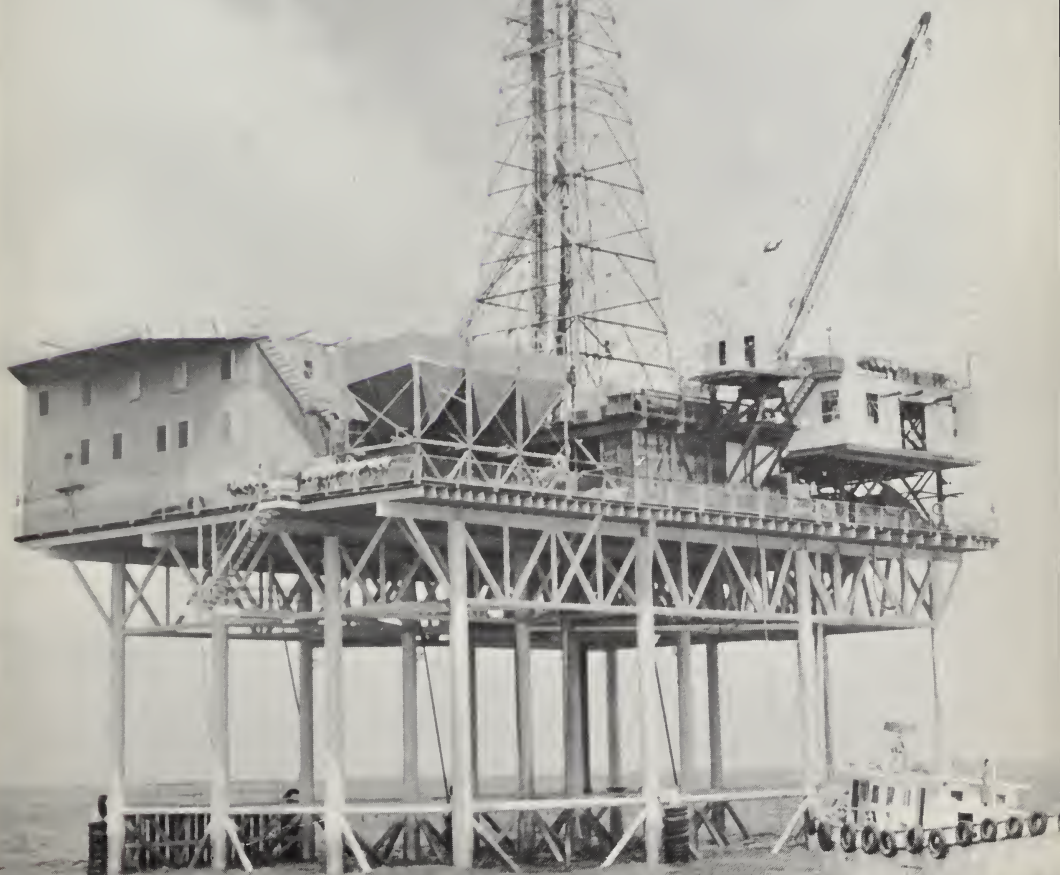
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BOOM in the BAYOUS-P. 7



## *A Message from the*

# ADMINISTRATOR

**I**n discussing power sales around the country, I have stressed the importance of this activity as a management function. I feel that the thought is worth repeating on the eve of the seventh annual National Farm Power Conference which meets September 21-23 at the Kentucky Hotel in Louisville, Kentucky.

I believe that every REA-financed electric system should work out its own pattern of power sales activities to fit its needs. Such plans should have a threefold objective: To help the farmer operate more effectively; to raise rural living standards; and to strengthen each system's own financial position.

The 1960 conference will be chock full of ideas to help rural electric management plan for the future. You should be able to get a fresh outlook there. Highlights will include new concepts in rural power sales, the latest material on electric heating, new thinking on the joint approach, and national promotion plans for 1961. The woman's viewpoint will receive more attention.

As another first, the conference will explore youth activities and area development. Speakers will also deal with the great changes in farm methods and will take a brief look at the research centers for the shape of things to come.

I urge you to see that your system is represented at the conference and to attend if possible. I shall look forward to seeing you in Louisville.

## *Rural Lines*

*David G. Hamel*  
Administrator.

Cover Picture: Component parts of this Texas Tower, drilling for oil off the Louisiana coast, were towed to sea from Bayou Boeuf. Story on page 7. Photos for this story courtesy Mark Bonner.

John H. Howard, Editor. Contributors to this issue: Robert M. Cox, Bernard Krug, Louisan Mamer.

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The Northfork Electric Cooperative of Sayre, Okla., has demonstrated a fact of financial life: that if a program of local co-op financing proves to be a good risk, private banking may become interested in the venture and take over the financing job.

The Northfork co-op lies along the Texas border in Western Oklahoma. It serves 3,100 members on 1,880 miles of line in Beckham, Roger Mills, and portions of Washita and Custer counties. The co-op had suffered in recent years. A declining agricultural economy hadn't been kind to its membership: more than 100 families were leaving the farm

The Bankers Helped

## DEVELOP A GRADE-A MARKET



Wilbur Cates, Sayre dairyman, milks 35 cows, says this 440-gallon cooler paid for itself in 3 years by eliminating rejects, and saving on freight and hauling costs.

each year.

Mile after mile of electric line was left idle, with fewer co-op consumers remaining to help amortize the co-op's loan. A rate

increase was necessary to tide the co-op over.

Northfork did not panic. With some help from REA, some hard work by the cooperative, and con-



New feed barn and loafing shed are latest additions to Jay Bently Dairy, near Red Star, Okla. Bently farm is typical of Grade-A dairy in area.

siderable cooperation from the local bank, the whole situation is clearing up. The tough times are by no means over, but a very good start has been made.

In the mid-fifties, a small group of Northfork members had gone into the dairy business to supplement their income. The most popular breed of dairy animal was Holstein and the milk market, mostly, was Amarillo, Texas, some 125 miles from the headquarters at Sayre, Okla.

"The milk was transported in cans," says Cecil Neely, co-op manager, "and during the hot summer months, many shipments were rejected because of the bacteria count."

Wholesale milk handlers required that Grade-A producers refrigerate their milk with bulk milk coolers if they wanted to stay in the Amarillo market.

Bulk milk coolers were expensive and, in addition, producers would have to buy pipeline milking equipment, automatic washers, feeders, and feed mixers. All that took more general funds than the co-op had available and more money than regulations permitted the cooperative to loan an individual member under Section 5. Investments, depending on the size of the herd, would be no less than \$2,000 with some as high as \$6,000.

Emergency conditions called



W. D. Lackey, Sayre bank president (left) confers with W. T. Baker on latter's application for dairy loan from City National Bank.



Those fine-looking Jersey calves are fed by a mechanical nursing machine on Joe Cane's farm. He exhibited it at the co-op's dairy equipment show.



for emergency action. The cooperative went to REA, requested and received permission to grant consumer facility loans in excess of the stipulated amount.

"That was when we went into the bulk milk tank financing business," Neely recalled. In the past three years, the cooperative made 32 Section 5 loans for milk tank equipment totaling more than \$88,000. To assure the milk producers that they were making a sound investment, the co-op geared up with personnel and equipment, not only to make the complete installation but also to provide the necessary service. Some of the loans have been paid off already, and there has not

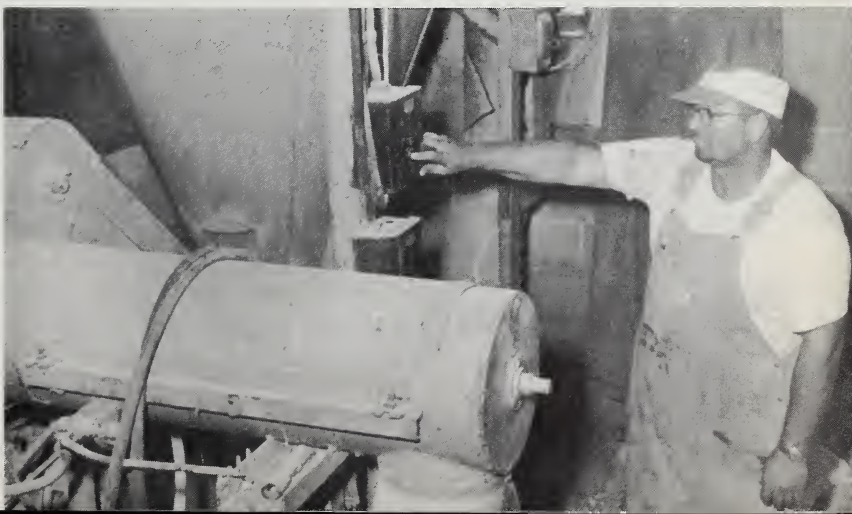
been one delinquent account.

Word about the shift to bulk milk cooling got around quickly. Most important, it got to the local City National Bank.

"We pride ourselves on being a progressive banking institution," said William D. Lakey, bank president, "and we were perturbed by the situation, and with the resulting slow migration away from this area."

The bank wanted to do whatever it could to bolster the sagging agricultural economy. When the cooperative began making bulk milk cooler loans, the bank kept its corporate eye and ear on the proceedings and soon became convinced of the financial sound-

Joe Cane, Carter, Okla., grinds and mixes feed automatically for his Grade-A herd. Cane also has highly mechanized electric tool shop.



ness of the venture. Gradually, it offered its lending resources to farmers who needed the extra money to go into dairying, and to other dairymen who needed loan funds to switch over to bulk cooling.

The bank's lending program was a success from the start. Today, there are approximately 175 prosperous Grade-A dairymen on the cooperative's lines. Gradually, the co-op has gone out of the dairy financing business because the bank has been doing such a good job.

"A local humorist recently referred to us as the 'tank bank'", Lakey commented, with a wry grin. "We like that kind of publicity, because it shows us that the bank is fulfilling its purpose here: to keep the agricultural economy of this area moving forward at a steady progressive rate."

Local dairymen also have received valuable cooperation from milk products companies, feed companies, and commercial utilities.

Of course, the cooperative is not "out of the woods" yet, but it has taken big steps in its program to help revitalize the local farming picture, and, at the same time, shore up its own financial structure.

Automatic feed mixing and grinding has helped the whole milk producers to increase their herds with the same amount of labor. Dairy operators who milked 35 cows have increased their herds to 65 or 70. Those who used to milk 50 cows have now increased to 100. Now, with

bulk tanks to guard against spoilage (milk temperature rises only two degrees in transit), milk produced in and around Beckham county is shipped to Enid, Okla., and some to El Paso and as far away as Denver. The Amarillo market, however, continues to be the main market.

The co-op's area is sometimes called the "last frontier" for milk until California. It is a good soil and climate for producing feed.

The Northfork co-op is a live-wire organization in other ways, too.

It has been leading the monthly power use "marathon" staged by the Oklahoma Association of Electric Cooperatives. The state-wide calculates the standings based on a ratio between number of appliances and equipment installed and number of members. Northfork has been at the top, or near the top, of the 19-co-op list every month.

The co-op also sponsors an annual "Dairy Equipment Show" in Sayre, aided by manufacturers, schools, and neighboring REA electric borrowers. This year 600 people viewed the exhibits and displays featuring feeding, unloading, grinding, welding, lighting, milking, heating, refrigeration, cleaning, automatic feeders, milking parlors, and other dairy activities.

Northfork has worked hard to help its dairy members get back "on the road" again. It is a prime example of a borrower that played an important part in shifting agricultural emphasis, when such a change became necessary.





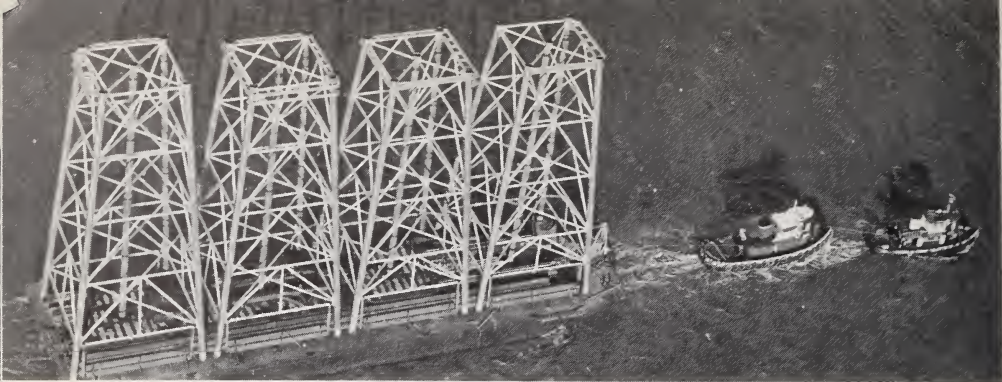
# BOOM COMES TO THE BAYOUS

Along the bayou banks are both small fishing camps and big industry.



**T**he Cajuns around here have a saying," says Manager Joe White of the South Louisiana

Electric Cooperative Association, Houma, La., "*Le plus ça change, le plus la même chose*. It means:



Towing a Texas tower out to sea.

the more it changes, the more it is the same thing. That's the way with the bayou country. The future may bring us lots more industry, and oil wells, and people. But just a few rods away there will always be the swamps, primitive and wild as ever."

Cajun is a short way to say Acadian. The French population of Louisiana, as every student of Longfellow remembers, originally came from Acadia in Eastern Canada. Until recently, the bayous of Terrebonne Parish formed a water barrier which allowed them to perpetuate a French culture for 200 years. Rivers and false rivers by the dozen run finger-like past the swampland's moss-draped trees to meet the Gulf of Mexico. The only route to the rich sugar plantations on the bayou banks was by boat.

It has always been possible to make a good living in the bayou country. If you don't own sugar or timber land, you can trap or fish. The swamps teem with fur-bearing wildlife and a man with a boat has his choice of salt or fresh water fishing.

But life has been changing. Automobiles came, and highways appeared on the firm bayou banks where virtually all the parish's population lived, since this is the only ground solid enough to build

a house on. And then came the discovery of oil and gas under the swamps and the tidewaters offshore.

Land in the bayou country skyrocketed in value. New communities were born. The Gulf Coast attracted other industries from the outside. New people flocked in, changing the Acadian way of life. People around Houma grow nostalgic about the old ways, but they are glad to see the new prosperity.

The co-op's 403 miles of line serve 4,500 members—98 percent of the rural homes and other establishments in its service area, which includes lines in other parishes besides Terrebonne: Lafourche, Assumption, St. Martin and St. Mary. The average member uses 344 kwh per month at an average cost of 21½ cents per kwh.

The South Louisiana co-op's big story is its probable future. The board and management expect that consumption will continue to double every 5 years. The movement of industry to the region will bring more people. The question is where they will all live.

The habitable bayou banks are lined with houses one after another, like a continuous urban street. Street lights, paid for by





Cable goes under the bayous in some places.

parishes, school districts, or business establishments, line the roads and provide a good revenue for the co-op. Land for residential building sells for \$5,000 an acre and up, but there is little of it on the market. While the present owners paid from \$2 to \$5 for it, they figure they would net only \$500 per acre on a \$5,000 per acre sale, taking oil lease income and taxes into consideration. They can't afford to sell, and for that reason, building will be retarded. Nonetheless, new land is being made by filling. Also, the water tables of the area fall as the Mississippi-Atchafalaya River systems are brought under control through drainage and pumping, and more and more rich alluvial soil is available for pastures, sugar cane and rice fields.

Southdown Plantation, a large plantation near Raceland, La., operated by Director C. A. Hill, is rapidly filling in land for more pastures. The plantation is from 1 to 6 feet below sea level, and is changing from sugar growing to cattle raising.

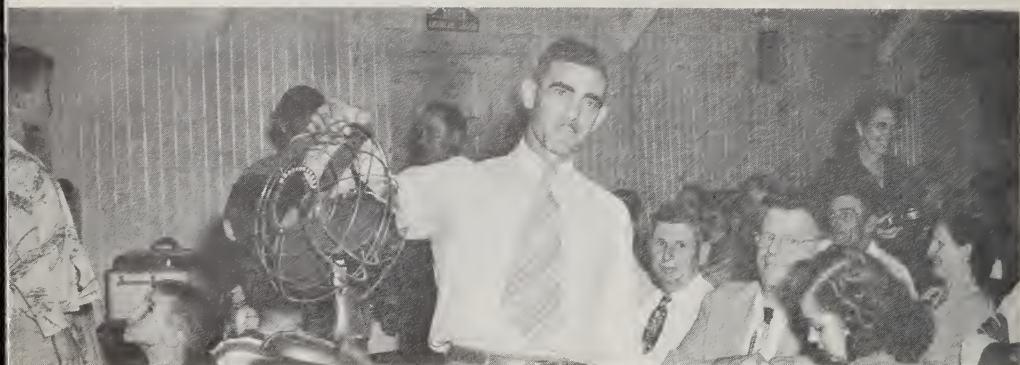
Co-op Treasurer, R. M. Curran, also raises cattle on a 1000-acre ranch near Raceland. But agricultural expansion, in the near future at least, will not develop rapidly.

On the whole, Manager White can estimate accurately the number of residentials that will develop on each of the seven lines along the roads and waterways. He currently is connecting a new suburban development outside Houma; the homes range in price from \$15,000 to \$50,000. The co-op doesn't have to put in connections for every new consumer. One service connection going in will add 16 more meters in a trailer camp; another two meters in a duplex house. There aren't 10 idle services on the system.

The revenues of almost \$90 per mile which the South Louisiana co-op enjoys derive more from the commercial load than from the residential and farm load. It sells more than 7 million kwh to each class of consumer. The commercial load comes partly from the area's expanding seafood industry, but mostly from oil.

The co-op, however, as yet has no oil pumping loads. The load comes from oil suppliers, exploring and drilling crews, and fabricators of oil field equipment. Terrebonne Parish oil comes from Miocene and Pliocene formations below 10,000 feet, but so far it flows with natural gas pressure. Later, when production will require pumping and water-flooding, the co-op can expect big rev-





Prize winner at one of the co-op's heavily attended annual meetings.

venues directly from the oil fields.

To the west of Houma, along Bayou Boeuf, Texas towers are fabricated and towed out to sea. These are huge platforms for drilling and pumping for oil under the sea. Other fabricators and toolmakers of oil field equipment are located here and on other watercourses in the area. Their loads are big, but no one of them uses as much kwh as does a commercial ice house, which accounts for over a half million kwh consumed in manufacturing ice for the growing shrimp and fishing fleets. Gibson and Morgan City, on the west side of the South Louisiana co-op's service area, is the center of the world's biggest shrimp fishing industry. Oysters and shrimp are found along the coast between Bayou Grand and Caillou and Bayou de Large. Sea food packing houses account for

much of the big industrial load.

"The new houses you see are due to the growing sea-food industry and oil," says John Jones, assistant manager of the South Louisiana co-op.

"The older inhabitants' houses sometimes look flimsily built. They often don't believe in putting money in houses that can be destroyed by floods or hurricanes. Some of them look like shacks on the outside, but are beautifully furnished inside, including electrical appliances. On the new houses we are pushing a winter-summer electric heating and air-conditioning load with a special rate."

The region also has undeveloped resources in salt and sulphur beneath the swamps and tidewater. Mining them should one day prove to be a good power load.



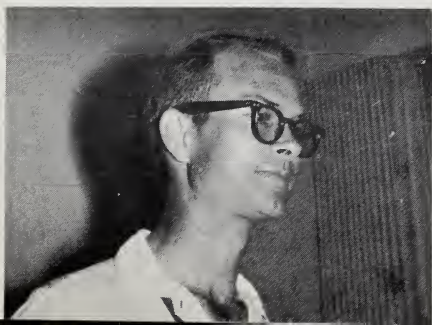
**Linemen:** Harold Hebert and Raymond Callahan (bottom); N. L. Dillard, Willard Breaux and Alfred Breaux (top).

"There are other things going for us in looking ahead at our co-op's future," says Manager White. "The Intercoastal Canal Waterway is a sheltered route for barge traffic from the Mississippi River to Texas. It is being deepened to handle more deep draft traffic, and the traffic on the canal is increasing. A \$6 million tunnel project is now underway to handle the traffic snarl the bridge openings cause when traffic goes through. So far our industry down here is mostly extractive. Salt water accessibility will make it a manufacturing area."

Active directors who take a keen interest in every bit of new co-op business have been a boon to Manager White. Some are farmers and planters, such as C. A. Hill and R. M. Curran. Some are in the oil business, such as President Ford V. Thibodaux, Norman LeBoeuf, and Delmar Crochet. Others are businessmen: Ivy Brien, Herman Duplantis, Karl Geist, and Ashley J. Bergeron.

"These are men who have seen this country boom during the past two decades," says White. "They understand that it will cost money—about \$2.5 million in the next couple of decades—to build more plant, in spite of the high density and the fact that it doesn't look like there is ground to expand on. We will expand,

Assistant Manager John Jones thinks the bayou life is changing.



Manager Joe White picks bananas out of his back yard.

though, out in the swamp. Right now, we are getting ready to run a line 8 miles down Four Point Bayou. Used to be only temporary fishing camps of the Sabine Indians down there. Now there are 25 applications from permanent camps down there, and there will be more."

South Louisiana Electric Cooperative people are losing no sleep about the future. Their system has grown from scratch to a \$2.5 million business. Revenues keep growing, and last year's patronage capital margins amounted to \$105,000. Net worth is up to 32 percent. Ahead are further changes, and more of the same things—expanding plant, growing revenues, and increasing member ownership.



## BORROWERS ATTEND

### regional rd workshop



Norbert V. Peter (left), Perry-Spencer Rural Telephone Cooperative, Tell City, Ind., introduced Under Secretary of Agriculture True D. Morse (right) to telephone group.

“Every REA borrower ought to take a leading part in rural development in his area,” said C. H. Kneller, representative of the South-Central Rural Electric Cooperative, Lancaster, Ohio.

Kneller made this statement at the regional workshop conference of Rural Development people from five states which met at Purdue University Memorial Union, West Lafayette, Ind., July 19-21, 1960.

He was one of several representatives of REA borrowers who attended. It was the consensus of most of these rural utility people, after sitting in on the sessions, that rural electric and telephone borrowers, having more know-how than most rural residents about the needs of industry and about building better community standards, could do both themselves and their service areas a permanently profitable good turn by taking a very active role in the program.

The workshop conference, first of nine scheduled for 1960, drew twice as many people to Purdue as were expected by the Planning Committee.

Under Secretary of Agriculture

True D. Morse keynoted the conference with a talk on “Opportunities in Rural Development.” Workshop sessions all were lively with discussion.

Topics covered were: how to organize at state, area, and county levels; advantages and disadvantages of area and county programs; how to promote recreation and tourist business; educational and training programs needed for both youth and adults; how to determine health conditions and feasibility of health services; how to provide more off-farm job opportunities; how to get sound agricultural development; and how to improve home and family living.

A panel of experts from the Extension Service; Soil Conservation Service; Health, Education and Welfare; and Missouri's Resources and Development Commission discussed the subject of organizing for an effective program.

A symposium on “Our Interest in County and Area Resource Development” drew considerable attention. Speakers were: E. T. Brown, country banker from Gainesville, Mo.; T. W. Schulen-





E. T. Brown, banker, Gainesville, Mo.: "The REA borrowers in Ozark County take the lead in our area's development."



C. H. Kneller, South - Central Rural Electric Cooperative, Lancaster, Ohio: "Every REA borrower has a stake in rural development."

berg, Director, Indiana State Department of Commerce; Don Rehl, Pennsylvania Railroad; and Loren Trimble, of Commonwealth Edison Company, Chicago. The latter two speakers pointed out that utility and railroad people devote considerable time, energy and funds to future industrial development, and cooperate with other groups who do so in their areas. They suggested the importance of fundamentals: industrial sites, water supply, transportation outlets and labor supply.

The regional conference was held for interested delegates from Ohio, Indiana, Illinois, Iowa, and Missouri. Other conferences are scheduled for other states:

*Continued on p. 14*

Leo Haverkamp, North Central Telephone Company, Clare, Iowa: "Rural utilities should be leaders in all forward movements."

Paul Timberlake, Eureka Telephone Company, Corydon, Ind.: "Borrowers in southern Indiana are all backing rural development."



"Electric and telephone utilities are increasingly active in area development programs. The reason is simple—it pays."

This was the theme of a speech given by Under Secretary of Agriculture True D. Morse before the Indiana Rural-Urban Telephone Association's meeting in Indianapolis on July 20, 1960. The Under Secretary made a special trip from the Regional Rural Development Conference at Purdue University in order to talk to the telephone people. He had been requested to do so by Association President Norbert V. Peter, of the Perry-Spencer Rural Telephone Cooperative, Tell City, Ind. Peter is a sparkplug in rural development in the Hoosier State.

"Utilities grow and prosper in proportion to the progress of the areas they serve," continued Under Secretary Morse.

The Under Secretary commented on the rapidly changing rural scene in America, where there are now more non-farm homes in the country than farm homes. This is leading, he noted, to industrialization of the countryside, with the balanced economy of diversified incomes in many rural areas.

In discussing the rural development programs in 30 states and Puerto Rico, the Under Secretary emphasized particularly Indiana's pilot program in Perry County, which was backed strongly by REA-financed telephone and electric co-ops.

"No community can attract new business unless it can offer reliable electric and dial telephone service," said Under Secretary Morse. "Once industry and business expand, revenues start going up."

"It is this type of rural service by utilities that is helping create the New Rural America."



Dan O'Connor, Hendricks Telephone Corp., Clay-ton, Ind., dis-cusses borrowers' contributions to rural development with Robert R. Million, Yeoman Telephone Com-pany, Yeoman, Ind.

1. Kentucky, North Carolina, Ten-nessee, Virginia, and West Virginia: August 2-4, 1960, at Roanoke, Va.

2. Minnesota, Michigan and Wiscon-sin: September 7-9, 1960, at Escanaba, Michigan.

3. Delaware, New Jersey, Maryland and Pennsylvania: September 12-14, 1960, at time and place to be an-nounced.

4. Alaska, California, Idaho, Mon-tana and Washington: Some time in August 1960, place to be announced.

5. Colorado, Kansas, Nebraska, North Dakota, South Dakota, and Wyoming: October 10-12, 1960, at Lin-coln, Nebr.

6. Alabama, Florida, Georgia, Missis-sippi, Puerto Rico, and South Car-olina: October 19-21, at place to be announced.

7. Maine, Massachusetts, New York, New Hampshire and Vermont: Time and place to be announced.

8. Arizona, New Mexico, and Utah: Time and place to be announced.

9. Texas: November 1960, at time and place to be announced.

It is expected that large num-bers of REA borrowers will at-tend these meetings.

**REA fieldmen Bill Imwalle and Herman Kroger report an increasing interest in rural development in the Midwest.**







### **"YOU NEVER STAND STILL"**

A newcomer to Casey, Illinois, is bound to notice two things his first day in town. First, the name is pronounced "kay-zee", as if the "s" were a "z". Second, the town has a civic pride that is outstanding. This pride is strong and permanent. It makes Casey a stand-out city in an area that has been plagued with economic problems for almost a decade.

In the last ten years, the population of Clark county (in which Casey is located) and next-door Cumberland county, has decreased by approximately 2,500 persons. The 1960 census proves that fact. Many people have

Russ Logue, Casey Industries spark-plug, also manages REA telephone borrower and heads Chamber of Commerce.

moved away and many others who still live in Casey drive 30 to 60 miles a day to get to work. Civic leaders feared that those people would move too unless something was done to increase opportunity for local employment.

The situation called for prompt action, because a local recession was in the offing unless a remedy could be found.

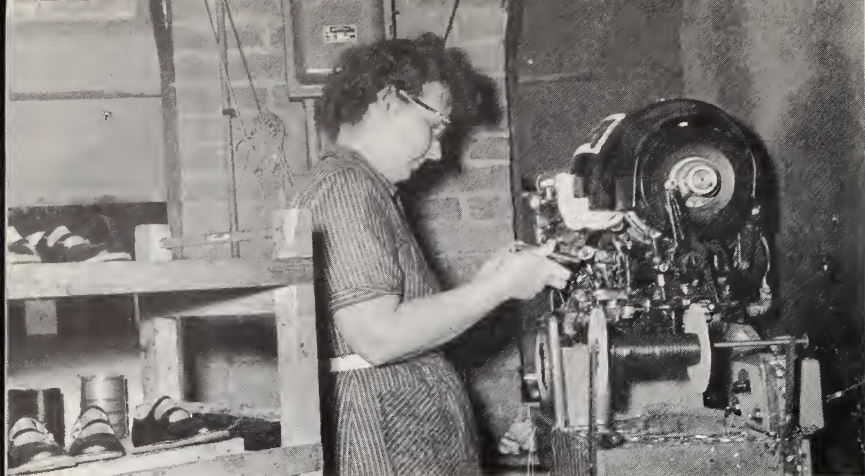
The remedy appears to be a local organization called "Casey Industries, Incorporated." This group was locally-formed, late in 1959, by local people, with no outside assistance. It does not compete with the Casey Chamber of Commerce because it is a different type of organization.

Russell Logue, manager of the REA-financed C.T.&N. Telephone Company in Casey, is president of the Chamber of Commerce and also on the advisory board of Casey Industries.

"We organized Casey Industries because we saw what was happening to the area and we wanted to do something about it. We offer financial aid to any kind of manufacturing concern that will open a plant in Casey and will hire local people."

The idea behind Casey Industries caught on fast. In less than six months it had nearly 150 members—local merchants, professional men and individuals. Each member pays \$3 dues per





Casey shoe plant provides big payroll for town, soon will produce 6,300 pair of shoes per day.

week: money that will eventually be used to help bring new job-producing plants to Casey. Each member gets a neat black and red window card, proclaiming "Member of Casey Industries—Helping Casey Grow."

One new plant already is on the way. It is a company that manufactures pre-fabricated air ducts for furnace and air conditioning systems. Its payroll approximates \$27,000 per week.

The plan behind Casey Industries is simple but substantial. Its working capital (from weekly dues) is about \$24,000 a year. It already owns 27 acres of choice land one-half mile from Casey's city limits, complete with railroad siding. The air-duct plant will require about five acres.

"Many small industries," Logue points out, "tend to eat up their capital for operating expenses these days. With cooperation from the local bank, we can show them that we will build a new building for them, and they can amortize it in ten or twenty years. The factories, on the other hand, will provide hundreds of local jobs.

"The air-duct plant and Casey Industries, Inc., understand each other perfectly. They do not want us to subsidize them, nor do they

expect it. They merely want a plentiful labor supply, under favorable marketing conditions. We feel that Casey Industries can fill both of those needs."

The group also is working in other directions. It is assisting a committee of Casey residents in their efforts to develop a local municipal airport. The land has been purchased already, and grading and construction will get underway soon. It is also aiding to organize a radio station for the local area, with headquarters and studios in Casey, and it will help in financing a modern 12-lane bowling alley.

Casey Industries estimates that the area will benefit from more than \$1 million in local commercial construction during 1960.

The civic betterment fever in Casey is contagious. A local shoe factory, employing 200 workers, produces about 5,300 pair of shoes daily; most of its production goes to a world-famous mail-order concern. In late spring of 1960, it broke ground for a plant addition that will increase its output by 1,000 pair of shoes per day.

The thinking behind Casey Industries emphasizes the adage: "Man is not an island unto himself." Civic leaders in Casey know

Here's the Casey Industries advisory board, representing local business, professional and civic life.



that their town is not alone in its predicament. That is why the Casey group prepared and circulated an area labor survey, not only locally, but in six surrounding areas, served by six weekly newspapers. Casey Industries sent each Chamber of Commerce a letter of transmittal and paid for enough advertising space needed to print the labor questionnaire in the paper.

"If we expect our community to grow and attract industry, the letter states, we must work together by thinking in terms of area, rather than separate towns. Casey Industries, Inc. will make the information received from this survey available to each local community's civic organization in charge of its industrial development.

"Let's all take an interest in our community's growth and economic improvement. We must show the factory-owners that we have the ability to grow with their industry. A town never stands still—it is either building up and becoming more prosperous, or going down hill with more empty houses and store buildings. Your cooperation will be appreciated in this industrial development program."

The employment survey ques-

tionnaire, printed in the paper, asks the workers to fill in answers to questions such as: Have you moved away from the area because of lack of employment? How far do you travel to and from your present job? Would you be interested in moving back home if more jobs were made available? The survey tabulates workers on the basis of skills, salary requirements, housing needs, and other economic criteria.

The board of directors of Casey Industries provides a cross-section of Casey's business and professional people. Charles Goben, petroleum distributor, is president. Russell Logue, manager of the REA telephone borrower and president of the Chamber of Commerce, and Hubert Goble, appliance and furniture merchant, are on the advisory board. Board members include an auto parts distributor, a farm equipment dealer, an automobile dealer, a building contractor, two lawyers and one doctor.

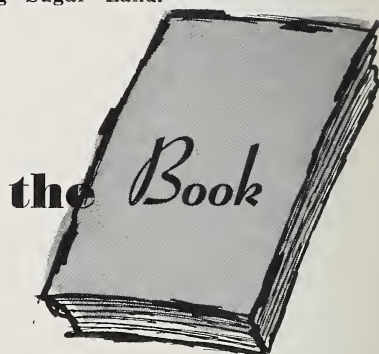
This Illinois town does not waste time by wondering whether rural development, locally-sparked and locally-organized, can be successful. Instead, it uses its time by simply going ahead and doing the job.





Each house will have its own waterfront in the planned building project adjoining Sugar Land.

## business methods by



**“W**e certainly do use business methods recommended by REA,” says President Thomas L. James of the Sugar Land Telephone Company, Sugar Land, Tex. “We operate according to the book. They are good sound business methods, of the same kind which we have used through the years in all our operations here at Sugar Land.”

The Sugar Land Telephone Company’s management methods might make one think that the company is a model to illustrate the REA operations manuals. Its

clockwork operations include planning for new lines which are built just when needed, neither too soon nor too late. It was just 3 years ago that the company received its initial REA loan, and its growth in subscribers, month by month, has been almost exactly what the company predicted in its 5-year estimate.

There is no great magic about this on-the-nose prediction. It was planned that way.



The telephone company is one of several enterprises in the mushrooming Sugar Land area, 25 miles from Houston. This part of the Gulf Coast is growing at the rate of 5,000 new people per month. A freeway under construction allows commuters from the Sugar Land area to reach downtown Houston in 20 minutes. Industry and population is spilling over toward Sugar Land in hurly-burly fashion. The Sugar Land enterprises are using long range planning and efficient operation to prevent the growth from becoming chaotic.

The small town of Sugar Land is the location of a large sugar company's refinery. Principal stockholder in the refinery and the 15,000 acres of ranch and farm land surrounding the town is the Kempner estate. For some time farm and ranch operations have been threatened by steeply rising land values resulting from the demand for industrial and residential sites.

The Sugar Land Industries was organized to manage farming and ranching operations. Subsidiary operations include a Farm and Home Center and a shopping center which houses shops, stores, a bank, a theatre, and business offices. There is also a cotton gin and a dehydration and feed plant. The operation is a smooth-running machine, with experts heading each department. Sugar Land Industries' legal and accounting staffs work on a prorated basis for the other enterprises in Sugar Land also.

One of these is Residential Venice, Inc. It is developing Venetian Estates on Alkire Lake and Horseshoe Lake, both of which



The sugar company's refinery is the town's biggest industry.

are man-made watercourses fed by Oyster Creek. The development company also plans the town's industrial growth.

The Sugar Land Telephone Company was organized to serve Sugar Land and its environs and the sugar company. The latter, while part of the inter-related complex, is under entirely separate management. Sugar Land's history centers around the refinery.

Before the Civil War, sugar cane was grown on the low coastland, and Texas' first sugar mill was built in 1843 at Sugar Land on the banks of Oyster Creek. It prospered, and today is a multi-million dollar enterprise employing 1,000 people. The old plantations which once grew sugar long ago switched to rice growing and then to cattle and cotton.

They believe in crop drying at Sugar Land, so the farming enterprise operates this all-electric drying and mixing plant.





Air-conditioned telephone booths bring people to the headquarters.

Cattle raising is rated by the Sugar Land people as being of more importance. The lush native grasses of the area provide year round pasture, and the land can carry 10 or 15 times as many head per acre as the range lands farther west. Sugar Land Industries believes in dehydration, and has found its all-electric alfalfa dehydration and feed-mixing plant an economical asset.

High on the list of development projects is industry. Swelling the local payrolls and adding to the demand for housing are several new plants: a food canning and freezing company; a manufacturer of overhead cranes; an oil field testing equipment company; and a maker of construction equipment.

More than 28 acres of land have

Left to right: Robert P. Hill, vice president; Thomas L. James, president; and Miss Mildred Rozelle, chief operator.





The company's facilities to take care of double the present number of subscribers.

been donated for schools, athletic fields, and a hospital. College scholarships are annually awarded to high school graduates by the sugar company as another community service.

The Sugar Land Telephone Company used to be the Harris-Fort Bend Telephone Company, with its switchboard in an old corrugated iron building which also served as offices for the sugar company and the Sugar Land Industries.

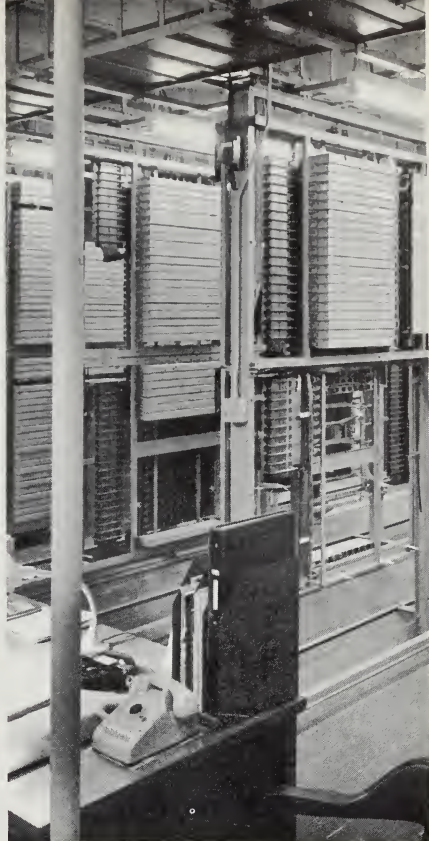
In September 1958 the company was approved a \$490,000 loan to modernize the system and to build a headquarters building.

The latter is on a one-acre wooded site near the business district. The building houses cable and line facilities enough to take care of more than double the system's present 1,200 telephones, which it anticipates needing in about 8 years.

Vice President and General Manager Robert P. Hill has been with the company since he began work as a lineman years ago. His particular pride is the two air-conditioned telephone booths just outside the headquarters building, handy for passing motorists.

"People use them in hot weather, then pass the word to their friends about them," says Hill. "Soon they will bring in more than the \$60 to \$80 revenue per month the company gets from its other booths. Also they stop in frequently, see our color telephone display on the wall. You can't miss it when you walk in the door."

Auxiliary blowers pull air from



the ducts inside the building into the booths. The air is gradually vented around the doors of the booths, so no air has to be returned to the system.

To confound telephone booth wall-scribbles, a rough finish, charcoal grey plastic covering is glued to the plywood walls of the booths.

Ample parking space was provided along the curved driveway leading from the highway. Hill believes it is a major asset in good customer relations.

The company has 70 pole line miles of line and its 1,220 stations include 917 subscribers with 303 extensions, including 59 on PBX. Residential stations account for 148 of the extensions. Along with all the Sugar Land Industries and the new industries which have come in, the telephone company





**Richard Myers and Jimmy McFadden take care of the inside plant.**

serves three prison farms of the Texas prison system.

Robert Hill thinks highly of the company's employees.

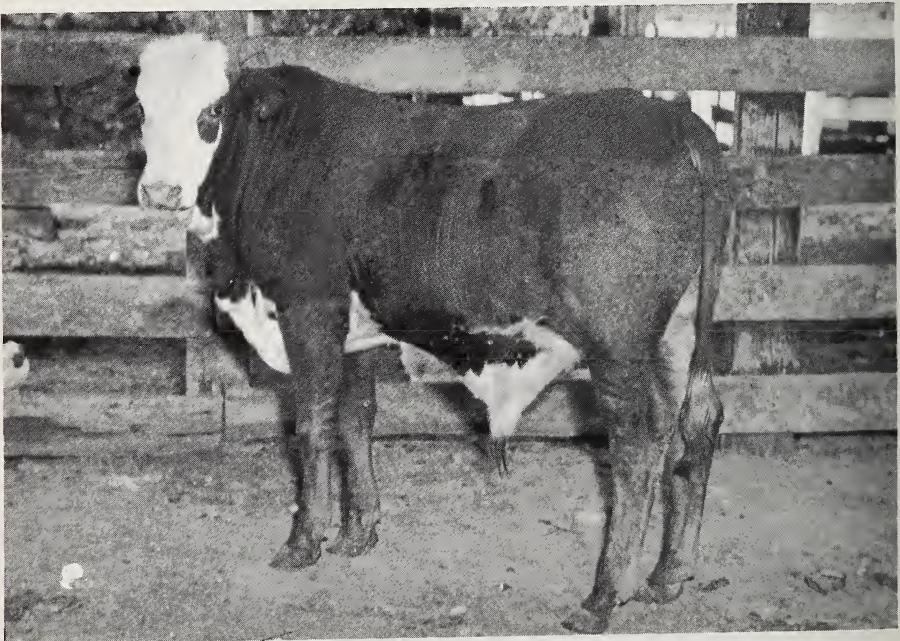
"Our Lawrence Bailey was al-

ready using the FCC system of accounts when we got the REA loan. That's one reason why we had no trouble with the REA methods.

The Sugar Land Telephone Company also has the advantage of the counsel of the Sugar Land Industries' legal staff, and billing and collections are also taken care of on a prorated basis by Industries' personnel.

"Coordinated work such as this is not only a big savings," says President James. "It gives you the advantage of better professional talent. We have an unusual advantage, with several interrelated industries. With that kind of coordination, Bob Hill can know that he doesn't have to worry about legal matters, or collections. In turn, we know we don't have to worry about telephone management, with an old pro like Bob around."

**Cross-bred Hereford-Brahmin cattle are the mainstay of Sugar Land's ranching enterprise.**



# FIELD DAY AT SVEEA

**M**aterials handling gets main emphasis by most co-ops that promote farm uses of electric power. And the Materials Handling Field Day or Exposition that draws thousands of farmers to one spot and focuses their attention on equipment that solves their problems is the most dramatic promotion method these co-ops use. Some co-ops, like Sioux Valley Empire Electric Association, Colman, S. Dak., find the Field Day so effective that it becomes an annual event.

Over 7,000 farm people viewed more than 100 exhibits at the second annual Materials Handling Field Day held in connection with SVEEA's annual meeting on June 20, 1960.

Nearly 50 manufacturers, distributors, and dealers assisted SVEEA and Successful Farming Magazine, co-sponsors, to make an outstanding display of equipment used on the farm to handle and process all kinds of agricultural products.

Thousands of farmers milled all afternoon through exhibits which opened at noon. They looked at the equipment, talked with neighbors, and asked questions of experts on hand to explain and demonstrate the equipment. Despite bad weather, much of the equipment was operating and showing its ability to save man hours, labor, and money.

County agents, state extension specialists, and SVEEA advisers helped farmers to get impartial advice about materials handling problems.

Electrically operated equip-

ment on display included: conveyors, elevators, crop drying equipment, silo fillers, silo unloaders, feed grinders, feed mixers, augers, automatic feeders for livestock and poultry operations, barn cleaners, automatic milking equipment, bulk milk tanks, egg coolers, and egg handling equipment. Also shown were pressure water systems and irrigation equipment.

Women attending took a quick view of materials handling equipment and electric heating and insulation exhibits. At 3 p.m. they attended the homemaking demonstration and saw methods of cooking and freezing with special emphasis on meats and pastries.

Co-op members took time out during the afternoon to register and pick up their dividend issues, distributed from 7 registration desks. Checks totaled \$77,581 in refunds for the 7,511 SVEEA members. This amount represented one half of the 1956 dividends. The co-op paid the other half in 1959.

Publicity that drew SVEEA's record crowd despite weather began with announcements at 11 district meetings starting in March. *Sioux Valley Electric* featured the combined annual meeting and Materials Handling Field Day in April and May issues, using photos from the first Field Day held during the 1959 annual meeting which drew about 7,000 people also. Co-op members now look forward to the Materials Handling Field Day as an annual event that provides them with up-to-date information.



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# FATALGRAM

RURAL ELECTRIFICATION ADMINISTRATION • U. S. DEPARTMENT OF AGRICULTURE

FATAL ACCIDENT NO. 10 FOR 1960  
ONE KILLED AND TWO INJURED  
ACCIDENT IN WISCONSIN.

# FATALGRAM

RURAL ELECTRIFICATION ADMINISTRATION • U. S. DEPARTMENT OF AGRICULTURE

JUNE 17, 1960

MAY 25, 1960

OCCURRED ON JUNE 9.  
ELECTRIC SHOCK  
REPORT TO FOLLOW.

More linemen killed because they  
didn't wear their rubber gloves.

R. G. ZOOK  
RURAL ELECTRIFICATION  
ADMINISTRATION

JUNE 17, 1960

FATAL ACCIDENT NO. 10 FOR 1960  
ONE KILLED AND TWO INJURED  
ACCIDENT IN WISCONSIN.

# FATALGRAM

RURAL ELECTRIFICATION ADMINISTRATION • U. S. DEPARTMENT OF AGRICULTURE

# FAT

RURAL ELECT

**MAKE PROTECTIVE EQUIPMENT  
THE RULE—and ENFORCE IT**

JUNE 24, 1960

FATAL ACCIDENT NO. 11 FOR 1960 OCCURRED IN GEORGIA  
ON JUNE 17. CO-OP LABORER WAS KILLED BY ELECTRIC  
SHOCK WHILE HOLDING AN ELECTRIC DRILL. DETAILED  
REPORT TO FOLLOW WHEN INFORMATION IS AVAILABLE.

R. G. ZOOK  
RURAL ELECTRIFICATION  
ADMINISTRATION

APRIL 11, 1960

EMPLOYEE IN  
OWNED IN LINE OF DUTY. THIS IS  
NO. 7 FOR 1960. DETAILED REPORT  
INFORMATION IS AVAILABLE.

R. G. ZOOK  
RURAL ELECTRIFICATION  
ADMINISTRATION